

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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LAURICE EL BADRY RAHME LTD d/b/a
LAURICE & CO.,

Plaintiff,

Civil Action No. 07-CV-11030 (AKH)

v.

REPLY TO COUNTERCLAIMS

FEDERAL INSURANCE COMPANY,

ECF CASE

Defendant.

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Plaintiff Laurice El Badry Rahme Ltd. d/b/a Laurice & Co. ("plaintiff"), by its counsel, replies to the counterclaims of defendant Federal Insurance Company ("defendant"), as follows:

1. As to paragraph 66 of the defendant's counterclaims, plaintiff repeats the allegations contained in its Complaint.
2. As to paragraph 67 of the defendant's counterclaims, plaintiff admits that defendant seeks through its counterclaims a declaration that it was not obligated to defend or indemnify plaintiff.
3. As to paragraph 68 of defendant's counterclaims, plaintiff admits that defendant's counterclaims are compulsory.
4. As to paragraph 69 of defendant's counterclaims, plaintiff admits that this Court has jurisdiction over defendant's counterclaims.
5. As to paragraph 70 of defendant's counterclaims, plaintiff admits that venue in this district is proper.
6. Plaintiff denies the allegations of paragraphs 71 through 76 of the defendant's counterclaims.
7. Plaintiff admits the allegations of paragraph 77 of the counterclaims.
8. Plaintiff denies the allegations of paragraph 78 of the counterclaims.

9. Plaintiff admits the allegations of paragraphs 79 through 81 of the counterclaims, but refers to the entire insurance policy for a full understanding thereof.

10. Plaintiff denies the allegations of paragraphs 82 and 83 of the counterclaims.

11. Plaintiff admits the allegations as to paragraphs 84 through 88 of the counterclaims, but refers to the entire insurance policy for a full understanding thereof.

12. Plaintiff denies the allegations of paragraphs 89 and 90 of the counterclaims.

13. Plaintiff admits the allegations of paragraphs 91 through 93 of the counterclaims, but refers to the entire insurance policy for a full understanding thereof.

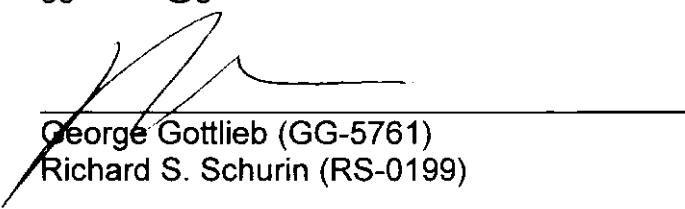
14. Plaintiff denies the allegations of paragraphs 94 through 96 of the counterclaims.

WHEREAS, the Counterclaims should be dismissed and the relief requested in the Complaint granted.

Dated: New York, New York
January 24, 2008

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